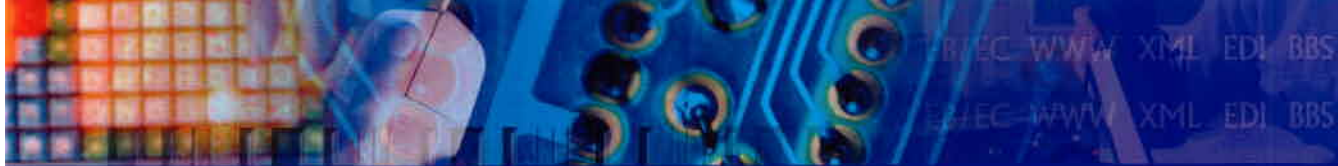# Introduction

Introduction

In 1990, the DON started to apply eB technologies in high-payoff areas, recognizing that many paper-intensive activities were not cost-effective in light of technology that was becoming available. Throughout the 1990's, the DON has been at the forefront of implementing Electronic Commerce (EC)–the application of business process reengineering and virtual processes and technologies to the buying and paying functions. The current eB initiative seeks to build electronic information paths within the Department of the Navy, the larger Defense community, other government agencies, and our commercial partners. However, eB is more than only automating manual processes and eliminating paper transactions– eB will move the DON into an enterprise-wide electronic business environment and fundamentally change the way we operate by applying Business Process Reengineering (BPR). While BPR can embrace a range of activities from streamlining to remove non-value added activities to full-scale process reengineering, the DON recognizes that the BPR concept, combined with Information Technology (IT), is the multiplier to improve operating efficiency and mission effectiveness, yet remain within today's resource constraints.

The DoD electronic business vision is to, by 2010, create an enterprise-wide electronic environment where best business practices and enabling technologies are used to facilitate the most efficient exchange of the full range of business information, resulting in streamlined and rapid response to the warfighter and supporting Defense missions. In support of the DoD vision, the DON's fundamental goal for eB is the integration of business process reengineering efforts with eB concepts and technologies, including the Internet, to achieve substantial efficiencies and corresponding significant resource savings. To realize the DoD vision and accomplish this DON goal, both the Navy and Marine Corps must continue to move forward with their eB implementation efforts. The Navy and Marine Corps must exploit eB opportunities by targeting their efforts at existing paper-intensive business operations and converting them into paperless, all-electronic environments. These new environments

must exist within and across all command organizations, and must encompass all functional business areas, such as procurement; contract administration; acquisition; logistics; maintenance; personnel management; training and education; travel administration; and medical support.

The institutionalization of *e*B success demands a vigorous emphasis on knowledge and Knowledge Management. *e*B strategies must integrate transactional activity with the interactive processes that naturally occur between and among customers; acting on this intersection between *e*B and Knowledge Management will enable us to establish and sustain the high-performance enterprise of the future.

As we move forward, it is essential to understand the difference between EC and *e*B. Simply put, EC is a subset of *e*B. Where EC is the application of BPR, and paperless/electronic solutions to the commerce process (buying, selling and paying), *e*B is a philosophy for conducting every functional business process in a reengineered, integrated, automated, and paperless environment. The *DoD EB/EC Strategic Plan* defines *e*B as:

"The interchange and processing of information via electronic techniques for accomplishing transactions based upon the application of commercial standards and practices. Further, an integral part of implementing eB is the application of business process improvement or reengineering to streamline business processes prior to the incorporation of technologies facilitating the electronic exchange of business information."

The term *e*B clearly reflects a shift in emphasis from procurement-centric transactions, or EC, to a significantly larger perspective that encompasses every facet of the DON's business functions such as logistics, finance, supply chain management, health affairs, and personnel.

Business Process Reengineering

information technology

implementation

electronic business

Electronic Business

DON